

Healthy Food Dallas Initiative

Program Guidelines
November 2020

Section I: Introduction

Statement of Purpose

The Healthy Food Dallas Initiative's (HFDI) **Community-Based Solutions Program** is a financing program supported by the Dallas Development Fund (DDF) to increase the number of non-traditional food access points including corner stores and other fresh food options in low-income, underserved communities across Dallas.

DDF is supporting the **Community-Based Solutions Program** to offer a total of up to \$250,000, in individual award amounts not to exceed \$70,000 per recipient, of funding assistance for non-profit entities that provide access to healthy food to a low-income population through innovation and/or community partnerships.

The City of Dallas Office of Economic Development will administer this program city-wide to support projects in eligible food desert census tracts, which meets the gap financing needs of non-profit food providers. The Dallas Development Fund has provided \$250,000 in funds toward the program. Under the HFDI program, the City will provide forgivable loans for redevelopment, improvements, construction and rehabilitation, technology and equipment installation and upgrades, staff training, security, and/or inventory. Healthy food is defined as minimally processed foods including water, fresh or frozen whole or cut fruits, fresh or frozen whole or cut vegetables, milk & no-sugar-added dairy products, eggs, lean meats, and minimally processed whole grains and legumes.

The initiative was created in response to the lack of affordable fresh and healthy foods in many Dallas neighborhoods, and growing evidence that healthy food access reduces the risk of developing diet-related diseases such as obesity, heart disease and diabetes. The Healthy Food Dallas Initiative will directly benefit residents living in low and moderate income areas with low access to healthy food Dallas by providing healthy food access, creating jobs, and revitalizing eligible neighborhoods.

Section II: Community-Based Solutions Program

A. Applicant Eligibility

An applicant applying for **Community-Based Solutions** funds shall have non-profit status, be community based with a Dallas service area, and demonstrate community support for the solution detailed in the application. Please note qualified schools and universities are welcome to apply.

Ineligible Applicants

1. Applicants that fail to demonstrate a commitment to offer fresh healthy foods in the judgment of the City.
2. For-profit entities

B. Purpose

In order to be eligible to apply for **Community-Based Solution funds**, the applicant must demonstrate one of the following:

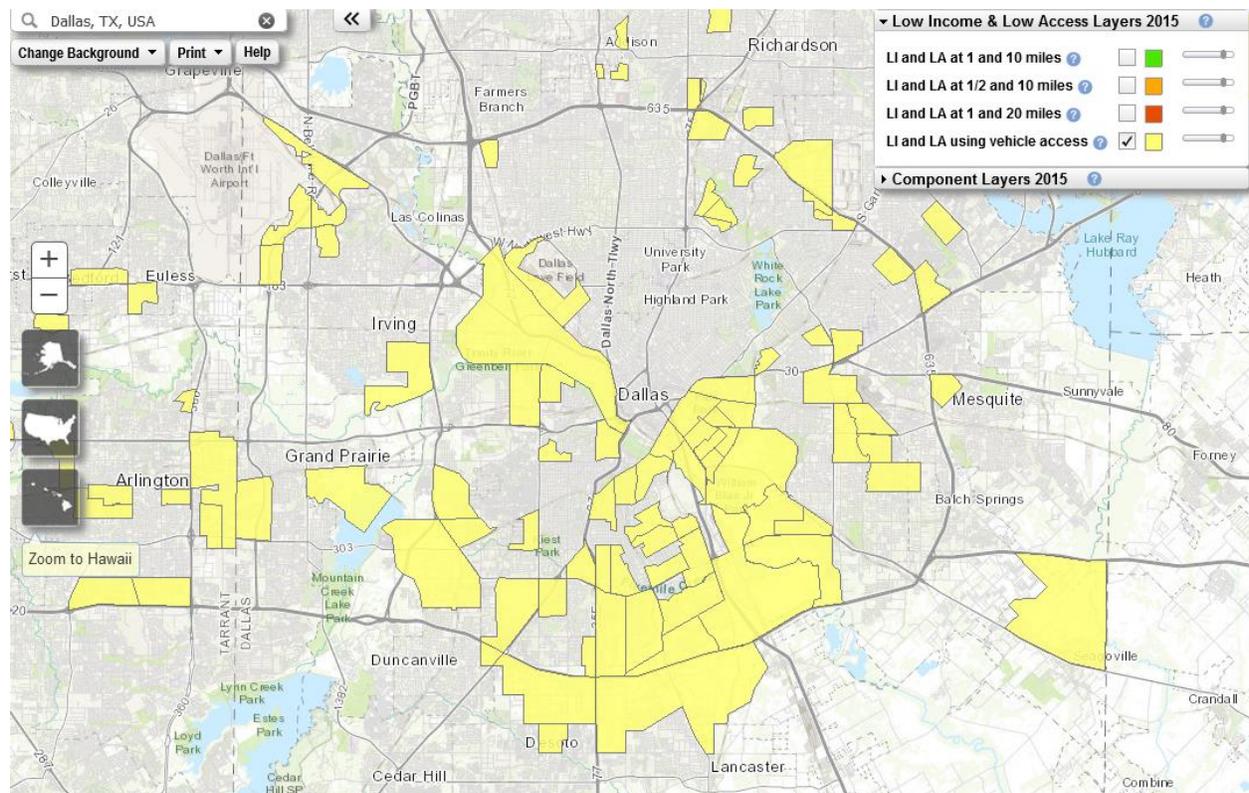
1. plans to open, renovate, or expand a seasonal or permanent facility (which may include community gardens) that provides low-cost or no-cost access to healthy, perishable food, provided that the facility has proper approvals from the City of Dallas to operate
2. program to provide mobile or home delivery of low-cost or no-cost healthy, perishable food
3. program to increase low or no-cost access of healthy food to individuals (such as expanding a double dollar program or providing health prescriptions, for example).

For all categories, funds may be used for upgrades or purchase of technology to facilitate healthy food access.

The applicant must demonstrate that at least 50% of sales (or equivalent) is dedicated to the sale/provision of fresh fruit and vegetables. Such a standard establishes a meaningful commitment to sell fresh produce and other healthy foods.

C. Location

The applicant's business or project site must be located within a low income, low vehicle access census tract in the City of Dallas. A map is below and can be accessed here: <https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas/>



D. Use of Funds

HFDI forgivable loans may be used for:

1. Pre-Development: to pay for the early costs associated with project feasibility including professional fees (e.g. architectural, engineering, etc.), soil testing, market studies, appraisals, and deposits on land and buildings.
2. Site Assembly and Improvement: to pay for acquisition, demolition, environmental remediation, unstable foundations and soil conditions, and other costs associated with site and infrastructure improvement.
3. Construction and Rehabilitation: to construct, rehabilitate, or expand the interior and/or exterior of the retail space.
4. Equipment: to install or upgrade technology, equipment, machinery, furnishings or interior finish-out directly related to the program, especially as necessary to increase the inventory and sale or access of fresh fruit and vegetables.
5. Security: to pay for security staff, security training, and security related equipment and site design features to create a safe environment in a neighborhood setting.
6. Inventory: to cover perishable inventory necessary for the sale of fresh fruit and vegetables and the initial operations of the business.
7. Direct program expenses: to pay for administrative costs directly associated with operating the proposed program
8. Holistic programming solutions: Funds may be used to provide services that address related root causes of food insecurity. For instance, many diet-related illnesses and health conditions may be improved with a more nutritious diet. Therefore, providing bloodwork, developing an appropriate diet, and connecting the patient with food providers are within the scope of the project.

Expenses from category 1 and 2 may not exceed 25% of the total forgivable loan amount combined, expenses from category 7 may not exceed 20% of the total forgivable loan amount, and expenses from category 8 may not exceed 10% of the total forgivable loan amount.

Ineligible Activities

Borrowers may not use funds for:

1. Refinancing existing debt.
2. Payment of any tax arrearages, government fines or penalties.
3. Political or religious activities.
4. Buying out any stockholder or equity holder in the borrower's business.
5. Buying out or reimbursing any immediate family member (husband, wife, father, mother, children, brother and/or sister).
6. Purchasing instruments or investments for the sole purpose of a return on investment.
7. Brokers fees, realtor fees, or other profit line items.

Section III: Financing

A. Loan Purpose

For the **Community-Based Solutions Program**: Loans may fund costs associated with pre-development, site assembly and improvement, construction and rehabilitation, equipment installation and upgrades, security, and healthy food inventory and program costs. Funds may be limited as described in Section II(D). Funding provided under this loan may not exceed 50% of project costs.

B. General Terms and Conditions

The total amount of HFDI funding awarded may not exceed \$70,000 for community-based solutions project. More funding may be supplied on a case-by-case basis in the form of other incentives from the City.

C. Financing Criteria

Community-Based Solutions Program

In order to be eligible to receive financing under the **Community-Based Solutions Program**, the Applicant and the Applicant's business must satisfy the following minimum criteria:

1. Determination that the project meets general program eligibility criteria
2. Letter of Board approval which identifies at least 50% the funding source for the project
3. The organization's financial statements from the last three months, plus the most recent audited annual financial statement
4. Proof of non-profit status with the State of Texas and IRS and proof of eligibility to conduct business in Texas by the State Comptroller
5. Articles of Incorporation/Certificate of Formation and Bylaws
6. Non-profit has at least one year operating experience as confirmed with board meetings, minutes, and/or annual reports.

Additionally, applicants must submit a narrative that demonstrates the need for a forgivable loan, and funding can comprise no more than 50% of the total financing needs of the borrower while not exceeding \$70,000 for Community-Based Solutions. Forgivable loans, if awarded, will be provided at a 0% rate of interest and forgiven over a period of two years after funds are completely expended or notice is given that no further draws will be made, in an amount of one-half (1/2) of the forgivable loan amount per year, provided that the project is meeting performance benchmarks. The funds will be paid out to reimburse actual eligible expenses, with the expectation that at least 60% of the DDF funds will be provided in the first year. Recipients must provide proof of expenditure of matching funds in each funding request, and the amount of loan funds may not exceed the amount of matching funds expended for the project.

Note: Applicants receiving a forgivable loan will be evaluated on a yearly basis to determine if the applicant is meeting the goals and objectives of the HFDI program. If the applicant is found not to be in line with the goals and objectives of the HFDI program (i.e., not providing fresh fruits and vegetables as outlined in the Program Eligibility Criteria), the remaining balance of the forgivable loan must be repaid.

Other Financing Criteria

1. The total amount of HFDI Program funds awarded may not exceed \$70,000 per **Community Based Solutions** project.

2. A minimum of a 50% match must be available for the project. At least 10% of the match shall be cash on hand and the applicant shall demonstrate the remaining funds are available from the entity or other sources. As an example, for a \$50,000 request, the applicant must have a minimum match of \$50,000, and of this \$50,000, a minimum of \$5,000 must be cash on hand.
3. Program funds will be disbursed on a reimbursement basis to reimburse actual, eligible expenses.

D. Loan Closing

Upon approval of an application by the City and Dallas Development Fund, a loan agreement and commitment letter will be issued to the applicant explaining the terms and conditions of the loan. The commitment letter must be signed and returned within 15 days of the date of the commitment letter or the offer may be withdrawn. Loan documents are subject to Dallas Development Fund Board approval.

E. Reporting Requirements and Record Keeping and Nonperformance

The City will enter into a loan agreement with all borrowers. Loan proceeds are subject to audit by the City. Borrowers will be expected to provide the City with evidence of compliance with program and City regulations as well as an annual narrative program report and quarterly financial reports.

Section IV: Application Process and Evaluation

Application

In order to determine eligibility, the applicant must demonstrate they have submitted an eligible project as defined by section II. The application must also contain the information requested in this section. City Staff will review each Application to determine whether the proposed project meets the minimum eligibility criteria listed above, and then review the application for program design, organization experience and capacity, community support and project budget.

1) Program Design

a) Degree of benefit to underserved populations:

The project has a measurable impact on the level of affordable fresh foods provided to residents of food desert census tracts and the area that the project serves. Applicant should define expected impact, which may include pounds of produce (or other healthy food items), sales (dollars) of produce (or other food items), number of families served, or a combination of factors, etc. Education and awareness can also be part of the project impacts.

Applicants are encouraged to inform food recipients other programs or organizations that can connect the recipient to other services beyond food access and to conduct outreach and education sessions to ensure adequate program reach.

Forgivability of loan will be partially determined on how well project meets expected impact.

b) Promotion of healthy food items, including fresh fruits and vegetables:

The Applicant demonstrates a commitment to promoting the sale of fresh fruits and vegetables and other healthy foods, e.g. the project details strategies to promote fresh produce sales beyond simple availability, such as product placement, marketing, providing recipes and demonstrations, and outreach.

c) Market and Demographic Evaluation:

The Applicant will examine the quality and accessibility of any local competition, site geography, and demographic profile of the Census tract in which the site is located to support need for project.

d) Sustainability plan:

Funds awarded under this program are intended to be a one-time award and projects are expected to be either complete or self-sustaining at the end of the performance period. Applicant shall provide a sustainability plan to meet this requirement.

e) Consistency with Plans:

The Applicant will follow applicable City of Dallas area plans, local community plans and community development programs. The project will further adhere to applicable land use and urban design principles.

2) Organizational experience and capacity:

The Applicant demonstrates the capacity to implement and sustain the project, e.g. through a sound financial/business plan and relevant experience in fresh food retail. Submissions should also include key staff working on the project including a biography and responsibilities, organization structure, and the most recent annual report.

3) Budget, demonstration of financial need and matching funds

The project requires an investment of public funding to move forward, to create impact, or to be competitive with similar projects in the region. Applicant must identify need for gap financing and demonstrate that other funding required for project is available. Funding available under this NOFA may not exceed more than 50% of the total program funding. A detailed budget should be included which includes sources and uses for program budget as well as a narrative describing why the funds are needed. This section should include all of information as identified in Section III, C.

4) Community Support:

The project demonstrates community support and/or partnerships as evaluated by Letters of Support from community-based organizations and/or community groups.

Each application must contain the following:

1. Cover letter signed by an authorized representative of the organization
2. Project summary which demonstrates alignment with the project eligibility requirements

3. Narrative describing Project Understanding
4. Organization expertise and capacity
5. Budget, demonstration of financial need and matching funds
6. Evidence of Community Support

Evaluation

Projects will be reviewed and evaluated on a 100 point scale. Projects must meet all of the eligibility requirements to be considered for funding. Any score other than five (5) in Project Eligibility disqualifies the project for further consideration. Projects must receive a minimum of 80 points to be eligible for funding. The Dallas Development Fund board will make final determination on funding and will not consider projects that do not receive a minimum of 80 points. Maximum points to be awarded are as follows:

Criteria	Description	Max. Points
Project Eligibility	Qualified non-profit, eligible census tract (see page 2)	5
Project Design	Overall understanding of program goals	15
<ul style="list-style-type: none"> • Benefit to underserved populations 	Defined expected impact	15
<ul style="list-style-type: none"> • Promotion of fresh fruits and vegetables 	Commitment to promoting the sale of fresh fruits and vegetables	10
<ul style="list-style-type: none"> • Market and Demographic Evaluation 	Examination of the quality and accessibility of any local competition, and demographic profile of the Census tract in which the site is located to support project need	7
<ul style="list-style-type: none"> • Sustainability plan 	Plan for continuation of program after DDF funding is forgiven	8
<ul style="list-style-type: none"> • Consistency with Plans 	Conformity with existing zoning requirements and area plans (if applicable)	5
Organizational experience and capacity	Capacity of sponsor to implement, fund and sustain the project	10
Budget and Financial Need		
Financial Need	Identified need for gap funding	10
Proof of match or other financing	Commitment from outside sources or cash on hand for at least 50% of the project funding	10
Community Support	Letters of support from community organizations	5

Section V: Submissions and Awards

Applications for this NOFA are due by 5:00 on December 18th to the Office of Economic Development via email to Heather.Lepeska@dallascityhall.com. Submissions should be submitted as one pdf (plus the budget) or zip file (where each file should be clearly and uniquely titled). If the file is greater than 15 MB, please email Heather for an alternative way to submit the application.

Awards made under this NOFA are expected to be announced by the end of January.

If all funds are not awarded under the initial round of funding, unexpended funds will be available on a rolling basis to projects meeting the application process established by this NOFA.

Section VI: Program Inquiries

Contact information:

Heather Lepeska
Manager
Office of Economic Development
214.670.1222
Heather.Lepeska@dallascityhall.com